



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Adopt Resolution authorizing the transfer of \$202,200 in CDBG funds from Project 02-07 Housing Assistance Programs to Project 05-02 LOEL Senior Housing Acquisition Project.

**MEETING DATE:** May 3, 2006

**PREPARED BY:** Community Improvement Manager

**RECOMMENDED ACTION:** Adopt a Resolution authorizing the transfer of \$202,200 in CDBG funds from Project LOD 02-07 Housing Assistance Programs, to Project LOD 05-02 LOEL Senior Housing Acquisition Project.

**BACKGROUND INFORMATION:** The Council has authorized allocations of CDBG/HOME funding to the LOEL Foundation for the acquisition of 303 E. Oak Street, to provide affordable senior housing, from both fiscal year(FY) 2005/06 (\$71,500) and FY 2006/07 (\$278,391).

The 2005/06 funding must be held back until the 2006/07 funds are available, which holds up the LOEL Foundation's acquisition of the property and increases the City's CDBG carry-over balance from one year to the next. There has been a continuing effort from the County and all participating jurisdictions to reduce the overall County-wide carry-over balance to within the allowed ratio of 1.5 times our annual allocation in order to avoid penalties from the Department of Housing and Urban Development (HUD).

It is also the City's desire to expedite the LOEL Foundation's acquisition of the property to limit the additional expense that LOEL is incurring in the way of property taxes. Until the ownership of the property is transferred to the LOEL Foundation, which is a non-profit organization, they continue to pay property taxes. The CDBG Program Administrators with the County have proposed this transfer of funds that will address both of these issues of reducing our current balance and allowing for the acquisition to be completed now rather than in July or August.

We are seeking Council authorization to transfer the current balance of \$202,200 from our 2002 Housing Assistance Program funding, which provides low-interest loans to qualifying low-income persons for housing rehabilitation and down-payment assistance. There will be no interruption in these loan programs as there is a sufficient balance of program income to continue to fund the assistance programs during the transfer of funds. Once the 2006/07 funding is available, the County will backfill our Housing Assistance Program funding as a new 2006/07 activity, with the funds that were allocated to the LOEL Foundation's acquisition of 303 E. Oak.

In addition to the transfer of funds, we also plan to administratively reallocate \$4,691 from our balance of Program Administration funding (Project 03-10) to complete the \$278,391 necessary for the acquisition. The County has the authority to permit the administrative transfer of funds, without Council action, as long as the amount of the transfer/reallocation does not exceed 50% of the allocated amount.

APPROVED: \_\_\_\_\_

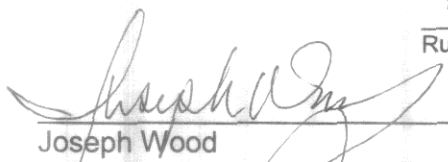
*Blair King*  
Blair King, City Manager

**FISCAL IMPACT:**

Transfer of funds is done at the County level, so there would be no funds dispersed through the Finance Department as a result of this transfer.

**FUNDING AVAILABLE:**

Project LOD 02-07 – Housing Assistance Programs - \$202,200 available  
Project LOD 03-10 – Program Administration - \$41,091 available

  
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Joseph Wood  
Community Improvement Manager

  
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Ruby Paiste, Interim Finance Director

Concurred   
\_\_\_\_\_  
Randy Hatch  
Community Development Director

cc: Finance Director  
Karen Stevens, SJ County  
LOEL Foundation

## LOEL Time Table

### Previous Funding Allocations

1996 – LOEL Foundation Building Rehab	\$ 45,000 – <i>Reallocated to 1998</i>
1997 – LOEL Foundation	\$ 60,000 – <i>Reallocated to 1998</i>
1998 – LOEL Foundation – Building Rehab Project	\$105,000 – <i>Completed</i>
1999 – LOEL Foundation – Interior/Exterior Renovation	\$ 75,000 – <i>Completed</i>
2000 – LOEL Foundation – Sidewalk/Streetscape Project	\$ 40,000 – <i>Completed</i>
2000 – LOEL Senior Center Program	\$ 10,000 – <i>Deemed Ineligible- Reallocated to 2005</i>
2002 – LOEL Foundation – Parking Lot Project	\$ 72,199 – <i>Completed</i>
2003 – LOEL Foundation – Minor Interior Rehab	\$ 22,908 – <i>Not yet started</i>
2004 – LOEL Senior Housing – Buy-down 301 E. Oak	\$202,681 (HOME Funds) – <i>Completed</i>
2004 – LOEL Senior Housing – Buy-down 301 E. Oak	\$100,109 (CDBG Funds) – <i>Completed</i>
2005 – LOEL Senior Housing – Acquisition 301 E. Oak	\$128,319 – <i>In Escrow</i>
2005 – LOEL Senior Housing – Buy-down 303 E. Oak	\$171,609 – <i>In Escrow</i>
2006 – LOEL Senior Housing – Acquisition 303 E. Oak	\$278,391

### Of those allocations listed above, only the following funding allocations are outstanding:

2003 – LOEL Senior Center Rehab	\$ 22,908
Status: Labor Standards packet was provided to LOEL Admin to accommodate bids/quotes for work that will be done. Awaiting follow up from LOEL. Funds cannot be released to previous contractor because of signed agreement between LOEL and contractor releasing liability for work performed. Aside from the fact that the agreement exists, there are no labor standards documentation from that contractor.	
2005 – LOEL Senior Housing – Acquisition 301 E. Oak	\$128,319
Status: Necessary loan docs have been prepared, signed and forwarded to County. Funds placed in escrow and release is pending.	
2005 – LOEL Senior Housing – Buy-down 303 E. Oak	\$171,609
Status: Necessary loan docs have been prepared, signed and forwarded to County. Funds normally held until balance of funds for acquisition allocated in 2006/07 have been released in July/August. Proposed transfer will expedite that release of funds.	

RESOLUTION NO. 2006-77

A RESOLUTION OF THE LODI CITY COUNCIL  
AUTHORIZING THE TRANSFER OF COMMUNITY  
DEVELOPMENT BLOCK GRANT FUNDS FROM PROJECT  
02-07 HOUSING ASSISTANCE PROGRAMS TO PROJECT 05-02  
LOEL SENIOR HOUSING ACQUISITION PROJECT

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NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby approve the transfer of \$202,200 in Community Development Block Grant funds from Project 02-07 Housing Assistance Programs to Project 05-02 LOEL Senior Housing Acquisition Project in order to expedite the LOEL Foundation acquisition of 303 E. Oak Street to provide affordable senior housing; and

BE IT FURTHER RESOLVED that the City Council further approves the administrative reallocation of \$4,691 from the City's balance of Program Administration funding (Project 03-10) to complete the funds for the acquisition.

Dated: May 3, 2006

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I hereby certify that Resolution No. 2006-77 was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 3, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, Johnson, Mounce,  
and Mayor Hitchcock

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON  
City Clerk